

### **REMARKS**

This communication responds to the Final Office Action (*Office Action*) dated December 31, 2009. Claims 1, 8, 26, 29, 34, 41, 59, and 66 have been amended. Applicants previously withdrew claims 3-7, 9-20, 28, 20, 21, 36-40, 42-54, 61-65, and 67-78. Applicants also previously canceled claims 21-25, 32, 33, 54-58, and 79-83. No additional claims have been withdrawn or canceled and no claims have been added. As a result, claims 1, 2, 8, 26, 27, 29, 34, 35, 41, 59-60, and 66 remain pending in this application.

#### **Double Patenting Rejection**

On page 3 of the *Office Action*, the Examiner rejected claims 1, 2, 8, 26, 27, 29, 34, 35, 41, 59, 60, and 66 under a non-statutory double patenting rejection. Specifically, the Examiner stated that claims 15, 19-21, 51, 55-57, 87, 91, 92, and 116 of U.S. Application No. 10/750,052 conflicted with the above-mentioned claims of this application.<sup>1</sup> Although Applicants do not admit that the claims are obvious in view of U.S. Application No. 10/750,052, a Terminal Disclaimer in compliance with 37 C.F.R. § 1.321(b)(iv) is enclosed herewith to obviate these rejections.

#### **The Rejection of Claims Under 35 U.S.C. §103(a)**

On page 3 of the *Office Action*, the Examiner rejected claims 1, 2, 8, 26, 27, 29, 34, 35, 41, 59, 60, and 66 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Published Patent Application No. 2002/0161691 to *Nishi* in view of U.S. Published Patent Application No. 2001/0032175 to Holden et al. (*Holden*), and further in view of U.S. Patent No. 6,691,094 to *Herschhorn*.

The key to supporting any rejection under 35 U.S.C. § 103 is the *clear articulation* of the reasons why the claimed invention would have been obvious<sup>2</sup> and analysis supporting the

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<sup>1</sup> *Office Action* at 2.

<sup>2</sup> MPEP § 2142, emphasis added.

rejection should be *made explicit*.<sup>3</sup> In rejecting claim 1, the Examiner argued that the cited references disclose, for example “to adjust a reserve price associated with a listing of an item during a network-based auction price-setting process,” “notifying automatically one or more bidders of the adjustment of the reserve price,” and “wherein the auction price-setting process further causes the processor to automatically notify a seller of the item when a high proxy bid is within a predetermined percentage range of the adjusted reserve price or within a predetermined value range of the reserve price.”<sup>4</sup> However, these limitations are not recited in independent claim 1. None of the limitations recited in claim 1 seem to be used by the Examiner in rejecting claim 1. As a result, Applicants respectfully submit that because the Examiner’s rejection is not based on the claim limitations as recited in the claims, the Examiner has not made a prima facie case of obviousness. Nevertheless, in order to advance prosecution, Applicants will address the obviousness of the limitations recited in the claims with regard to the cited art.

The recent U.S. Supreme Court decision of *KSR v. Teleflex* provides a tripartite test to evaluate obviousness.

The rationale to support a conclusion that a claim would have been obvious is that *all the claimed elements were known in the prior art* and one skilled in the art could have combined the elements as claimed by known methods *with no change in their respective functions, and the combination would have yielded nothing more than predictable results* to one of ordinary skill in the art. (See *KSR International Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 82 U.S.P.Q.2d 1385 (2007)). See also MPEP § 2143, emphasis added.)

Applicants will show that the cited references, either singly or in combination, neither teach nor suggest all limitations of Applicants’ claimed elements, with no change in the respective functions of the cited references, nor is there any substantiating evidence that the combination of the references would have yielded nothing more than predictable results. “If *any of these [three] findings* cannot be made, then this rationale [of combining prior art elements according to known methods to yield predictable results] cannot be used to support a conclusion that the claim

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<sup>3</sup> *Id.* (citing *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398, 418, 82 USPQ2d 1385, 1396 (2007)) , emphasis added.

<sup>4</sup> *Office Action* at 4-5.

would have been obvious.”<sup>5</sup> Although other rationales for rejection under 35 U.S.C. §103(a) may exist, the basis for an obviousness rejection is still grounded in a consideration of all claim elements. “All words in a claim must be considered in judging the patentability of that claim against the prior art.”<sup>6</sup> Additionally, to render the claimed subject matter obvious, the prior art references must teach or suggest every feature of the claims.<sup>7</sup>

Amended independent claim 1 recites, *inter alia*,

[A]n auction price-setting process executed from the memory by the processor to

***determine that a high proxy bid submitted by a buyer for an item is less than a reserve price*** set by a seller for the item, and

***publish***, based on the determining, ***to the seller a proxy bid information, the proxy bid information including the high proxy bid***, and the proxy bid information being associated with a listing for the item during an auction price-setting process.

Each of Applicant’s other independent claims, namely claims 8, 26, 29, 34, 41, 59, and 66, share at least some limitations similar to those of claim 1 recited above.

Applicants submit that *Nishi*, *Holden*, and *Herschkorn*, singularly or in any combination, do not teach or suggest at least the limitation of “***determine that a high proxy bid submitted by a buyer for an item is less than a reserve price*** set”<sup>8</sup> as recited in claim 1.

*Nishi* at most discusses an auction system where if “no bid is above the reserve price proposed by the assessor . . . the assessor can designate the buyer who bid the highest price as the successful bidder. . . . The first bidder who enters a price that is above the reserve price can see an indication that tells that he (she) [*sic*] was the first bidder who entered a price that was above the reserve price.”<sup>9</sup> However, determining that a ***bid*** is above or below a reserve price is not the

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<sup>5</sup> MPEP § 2143, emphasis added.

<sup>6</sup> *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). See also MPEP § 2143.03.

<sup>7</sup> See Manual of Patent Examining Procedure §§ 706.02(j), 2143(A) (2008); MPEP § 2142 (2006) (citing *In re Vack*, 947 F.2d, 488 (Fed. Cir. 1991)). Cited approvingly in *Ex parte WEN WEN* and *PATRICIA NG* at 7; Appeal No. 2009-000776; decided September 25, 2009.

<sup>8</sup> Emphasis added.

<sup>9</sup> *Nishi* at para. [0024] and [0027].

same as determining that a **high proxy bid** submitted by a buyer is less than a reserve price. A mere bid is not the same as a high proxy bid as the high proxy bid may never be considered in an auction. In contrast to a high proxy bid, a “bid” will always be considered provided the auction is still open.

*Holden* merely discusses a method and system for providing an on-line auction that allows a supplier to sell goods closer to real market prices than offering the commodity via telephone, facsimile, or electronic mail.<sup>10</sup> However, in contrast to Applicants’ claimed elements, *Holden* does not teach or suggest at determining that a high proxy bid submitted by a buyer for an item is less than a reserve price set by a seller.

In much the same way, *Herschkorn* also does not teach or suggest this feature. Instead, *Herschkorn* discusses facilitating the trading of bank loans between buyers and sellers in which sellers and buyers enter offers and bids.<sup>11</sup> It is determined whether a match between a bid and an offer exists, and if a match exists, the matching bid and offer are filled by conducting a trade between the buyer and the seller.<sup>12</sup> If no match is found, then it is determined if the undisclosed offer or undisclosed bid is within a predetermined amount of a corresponding bid or offer, and if so, the parties making the respective offer and bid are contacted to see if a match can be made.<sup>13</sup> However, determining whether a bid and an offer match or do not match is not the same as **determining that a high proxy bid submitted by a buyer for an item is less than a reserve price** set by a seller.

Applicants also submit that *Nishi*, *Holden*, and *Herschkorn*, singularly or in any combination, do not teach or suggest at least the limitation of “in response, cause the processor to **automatically publish, to at least the buyer or the seller, at least one of a proxy bid information, including the high proxy bid, and the reserve price**”<sup>14</sup> as recited in Applicants’ claim 1.

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<sup>10</sup> *Holden* at para. [0029].

<sup>11</sup> *Herschkorn* at col. 4, line 64 – col. 5, line 3.

<sup>12</sup> *Herschkorn* at col. 5, lines 3-7.

<sup>13</sup> *Id.* at col. 5, line 66 to col. 6, line 4.

<sup>14</sup> Emphasis added.

In contrast to Applicants' claimed elements, *Nishi* at most discusses an auction system in which a time indicator, bid-price indicator, and bid buttons are displayed on the screen of a computer operated by an assessor that exhibits and assesses products.<sup>15</sup> Bidders may bid on an item and the "first bidder who enters a price that is above the reserve price can see an indication that tells that he (she) [*sic*] was the first bidder who entered a price that was above the reserve price."<sup>16</sup> However, displaying a time indicator, bid-price indicator, or an indication that a bidder was the first to enter a price above the reserve price is not the same as automatically publishing at least one of *a proxy bid information, including the high proxy bid, and the reserve price*. As discussed above, a high proxy bid simply is not the same as a mere bid.

*Holden* at most discusses that when "a user has been granted access to a scheduled auction, the user is automatically notified with an invitation message . . . [and] a variety of auction events will trigger additional automatic e-mail messages to the users authorized for that auction."<sup>17</sup> However automatic notifications sent to authorized users is not the same as automatically publishing at least one of *a proxy bid information, including the high proxy bid, and the reserve price* as discussed, above.

*Herschkorn* at most discusses contacting the buyer and seller when no match between an bid and offer is found to notify them of the *proximity of the opposing order*<sup>18</sup> is not the same as automatically publishing at least one of *a proxy bid information, including the high proxy bid, and the reserve price*.

As a result, *Nishi*, *Holden*, and *Herschkorn*, singularly or in any combination, do not teach or suggest all the claimed limitations as recited in the claims. Since Applicants have shown that not all the claimed elements were known by any combination of *Nishi*, *Holden*, and *Herschkorn*, Applicants respectfully request the Examiner to reconsider and withdraw the rejection under 35 U.S.C. § 103 of independent claims 1, 8, 26, 29, 34, 41, 59, and 66.

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<sup>15</sup> *Nishi* at paras. [0057] and [0046].

<sup>16</sup> *Nishi* at para. [0064].

<sup>17</sup> *Holden* at para. [0082].

<sup>18</sup> *Id.* at col. 15, lines 57-63.

Further, since claims 2, 27, 35, and 60 depend either directly or indirectly from one of the independent claims just discussed, these dependent claims are also allowable for at least the same reasons as the independent claims from which they depend. Further these dependent claims each may contain additional patentable subject matter.

On page 8 of the *Office Action*, the Examiner further rejected claims 2, 27, 35 and 60 under 35 U.S.C. § 103(a) as being unpatentable over *Nishi* in view of *Holden* and further in view of *Herschkorn* and further in view of U.S. Patent No. 7,461,022 to Churchill et al. (*Churchill*). However, claims 2, 27, 35, and 60 depend either directly or indirectly from one of the independent claims just discussed. As discussed above, *Nishi*, *Holden*, and *Herschkorn*, singularly or in combination, do not teach or suggest all the claimed limitations as recited in the independent claims. Applicants submit that *Churchill* fails to cure this defect. As a result, these dependent claims are also allowable for at least the same reasons as the independent claims from which they depend. Further these dependent claims each may contain additional patentable subject matter.

**CONCLUSION**


Applicant respectfully submits that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone the undersigned representative at (408) 660-2015 to facilitate prosecution of this application.

If necessary, please charge any additional fees or deficiencies, or credit any overpayments to Deposit Account No. 19-0743.

Respectfully submitted,

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**CERTIFICATE UNDER 37 C.F.R. 1.8:** The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop AF, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 26th day of February, 2010.

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